

## § 25.153

shall include the combined production of beer by all member brewers when determining eligibility under the 2,000,000 limitation. The reduced rate of tax applies to the first 60,000 barrels of beer removed for consumption or sale in a calendar year by the controlled group of brewers; the controlled group of brewers shall apportion the 60,000 barrels among member brewers in the manner described in each brewer's notice as provided by § 25.167(b)(3).

(Sec. 201, Pub. L. 85-859, 72 Stat. 1333, as amended (26 U.S.C. 5052))

[T.D. ATD-224, 51 FR 7673, Mar. 5, 1986, as amended by T.D. ATF-307, 55 FR 52738, Dec. 21, 1990; T.D. ATF-345, 58 FR 40357, July 28, 1993]

### § 25.153 Persons liable for tax.

The tax imposed by law on beer (including beer purchased or procured by one brewer from another) shall be paid by the brewer of the beer at the brewery where produced. The tax on beer transferred to a brewery from other breweries owned by the same brewer in accordance with subpart L of this part shall be paid by the brewer at the brewery from which the beer is removed for consumption or sale.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1334, as amended, 1389, as amended (26 U.S.C. 5054, 5413, 5414))

## DETERMINATION OF TAX

### § 25.155 Types of containers.

Beer may be removed from a brewery for consumption or sale only in barrels, kegs, bottles, and similar containers, as provided in this part. A container which the appropriate TTB officer determines to be similar to a bottle or can will be treated as a bottle for purposes of this part. A container which the appropriate TTB officer determines to be similar to a barrel or keg and which conforms to one of the sizes prescribed for barrels or kegs in § 25.156 will be treated as such for purposes of this part.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1389, as amended, 1390, as amended (26 U.S.C. 5412, 5416))

## 27 CFR Ch. I (4-1-11 Edition)

### § 25.156 Determination of tax on keg beer.

(a) In determining the tax on beer removed in kegs, a barrel is regarded as a quantity of not more than 31 gallons. The authorized fractional parts of a barrel are whole barrels, halves, thirds, quarters, sixths, and eighths, and beer may be removed in kegs rated at those capacities. The following keg sizes are also authorized at the stated barrel equivalents:

Size of keg	Barrel equivalent
5 gallons .....	0.16129
30 liter .....	0.25565
50 liter .....	0.42608

(b) If any barrel or authorized size keg contains a quantity of beer more than 2 percent in excess of its rated capacity, tax will be determined and paid on the actual quantity of beer (without benefit of any tolerance) contained in the keg.

(c) The quantities of keg beer removed subject to tax will be computed to 5 decimal places. The sum of the quantities computed for any one day will be rounded to 2 decimal places and the tax will be calculated and paid on the rounded sum.

(26 U.S.C. 5051)

[T.D. ATF-345, 58 FR 40357, July 28, 1993]

### § 25.157 Determination of tax on bottled beer.

The quantities of bottled beer removed subject to tax shall be computed to 5 decimal places in accordance with the table and instructions in § 25.158. The sum of the quantities computed for any one day will be rounded to 2 decimal places and the tax will be calculated and paid on the rounded sum.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1333, as amended (26 U.S.C. 5051))

### § 25.158 Tax computation for bottled beer.

Barrel equivalents for various case sizes are as follows:

(a) *For U.S. measure bottles.*

Bottle size (net contents in fluid ounces)	Number of bottles per case	Barrel equivalent
6 .....	12	0.01815

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Bottle size (net contents in fluid ounces)	Number of bottles per case	Barrel equivalent
6 .....	24	0.03629
7 .....	12	0.02117
7 .....	24	0.04234
7 .....	32	0.05645
7 .....	35	0.06174
7 .....	36	0.06351
7 .....	40	0.07056
7 .....	48	0.08468
8 .....	12	0.02419
8 .....	24	0.04839
8 .....	36	0.07258
8 .....	48	0.09677
10 .....	12	0.03024
10 .....	24	0.06048
10 .....	48	0.12097
11 .....	12	0.03327
11 .....	24	0.06653
11.5 .....	24	0.06956
12 .....	12	0.03629
12 .....	15	0.04536
12 .....	20	0.06048
12 .....	24	0.07258
12 .....	30	0.09073
12 .....	48	0.14516
12 .....	50	0.15121
14 .....	12	0.04234
14 .....	24	0.08468
16 (1 pint) .....	12	0.04839
16 (1 pint) .....	24	0.09677
22 .....	12	0.06653
22 .....	24	0.13306
24 .....	12	0.07258
24 .....	24	0.14516
30 .....	12	0.09073
32 (1 quart) .....	12	0.09677
40 .....	12	0.12097
64 .....	1	0.01613
64 .....	4	0.06452
64 .....	6	0.09677
128 (1 gallon) .....	1	0.03226
288 .....	1	0.07258

(b) *For metric measure bottles.*

Bottle size (metric net contents)	Number of bottles per case	Barrel equivalent
500 milliliters .....	24	0.10226
750 milliliters .....	12	0.07670
1 liter .....	12	0.10226
2 liters .....	6	0.10226
5 liters .....	1	0.04261

(c) *For other case sizes.* If beer is to be removed in cases or bottles of sizes other than those listed in the above tables, the brewer shall notify the appropriate TTB officer in advance and request to be advised of the fractional barrel equivalent applicable to the proposed case size.

(26 U.S.C. 5412)

[T.D. ATF-345, 58 FR 40357, July 28, 1993]

**§ 25.159 Time of tax determination and payment; offsets.**

(a) *Time and payment.* The tax on beer will be determined at the time of its removal for consumption or sale, and will be paid by return as provided in this part.

(b) *Offsets.* During any business day, the quantity of beer returned to the same brewery from which removed is to be taken as an offset against or deducted from the total quantity of beer removed for consumption or sale from that brewery on the day that the beer is returned.

(c) *Offsets not allowed.* An offset or deduction for returned beer will not be allowed if:

(1) The brewer was indemnified by insurance or otherwise in respect of the tax; or

(2) The brewer does not issue credit to the customer for the tax on the returned beer within 30 days of the return of the beer. If the tax is not timely credited after the offset or deduction is taken, the brewer shall make an increasing adjustment on the next tax return.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1334, as amended, 1335, as amended (26 U.S.C. 5054, 5056, 5061))

**§ 25.160 Tax adjustment for brewers who produce more than 2,000,000 barrels of beer.**

Each brewer who has paid tax on beer by return, Form 5000.24, at the reduced rate of tax during a calendar year, but whose production (or the production of a controlled group of brewers of which the brewer is a member) exceeds 2,000,000 barrels of beer in that calendar year, is no longer eligible to pay tax on beer at the reduced rate of tax for any beer removed that calendar year for consumption or sale. The brewer shall make a tax adjustment for the payment of additional tax no later than the return period in which production (or the production of a controlled group of brewers of which the brewer is a member) exceeds 2,000,000 barrels of beer. The adjustment will be determined by multiplying the difference between the higher and lower rates of tax applicable to beer by the number of barrels removed by the brewer that year at the reduced rate of tax. The